



# OFFICIAL GAZETTE

## GOVERNMENT OF GOA

### EXTRAORDINARY

#### GOVERNMENT OF GOA

Department of Finance

Budget Division

#### Notification

1-102/2006/Fin (Bud)

**Sub :** Entrustment of Technical Guidance and Supervision (TGS) over the Audit of Panchayati Raj Institutions and Urban Local Bodies to C & A.G. of India.

**Ref. i.** D.O. No. F.10 (17)-B (s)/2000 of Joint Secretary (Budget), Ministry of Finance, Department of Economic Affairs, New Delhi, dated 24th April, 2001.

The Eleventh Finance Commission among others have recommended following two points on the audit of Local Bodies.

(i) The Comptroller & Auditor General should prescribe the format for preparation of budgets and for keeping of accounts for the local bodies.

(ii) The Comptroller & Auditor General should be entrusted with the responsibilities of exercising control & supervision over the proper maintenance of accounts and their audit for all the tiers/levels of Panchayats and Urban Local Bodies.

2. On the basis of Eleventh Finance Commission recommendation, Government of India has issued guidelines for the utilization of local bodies grant

in June 2001. According to these guidelines, the Comptroller and Auditor General is to be made responsible for exercising control and supervision over the proper maintenance of accounts and their audit for all the tiers of Panchayati Raj Institutions and Urban Local Bodies. The Director of Accounts of the State is responsible for certifying the accounts of Panchayati Raj Institutions (excluding Zilla Panchayats) and Urban Local Bodies in the State and their audit.

3. The Accountant General, Goa has requested the Government to entrust to the Comptroller & Auditor General of India the Technical Guidance and Supervision over accounts and audit of Panchayati Raj Institutions and Urban Local Bodies, under Section 20 (i) of the Comptroller & Auditors General (Duties Powers and Conditions of Service) Act, 1971.

4. After careful consideration State Government had decided to entrust the Technical Guidance and Supervision over the audit of Panchayati Raj Institutions and Urban Local Bodies to the Comptroller & Auditor General of India. However, the Director of Accounts of State would remain the statutory auditor for local bodies (except Zilla Panchayats) under the State Audit Act and will continue to work under the administrative control of the Finance Department, Government of Goa.

5. The Scope Technical Guidance and Supervision (TGS) by the Comptroller and Auditor General of India (represented by the Accountant General, Goa) would be as follows:—

a) the audit methodology and procedures for audit of Panchayati Raj Institutions and Urban

Local Bodies by the Director of Accounts would be as per the guidelines/standards prescribed by the Accountant General, Goa.

b) The nature, extent and scope of audit including form and content of the report of the Director of Accounts of the Panchayati Raj Institutions and Urban Local Bodies accounts will be as per the guidelines given by the Accountant General, Goa.

c) The Director of Accounts will prepare annual audit plan under intimation to the Accountant General, Goa indicating the particulars of Panchayati Raj Institutions and Urban Local Bodies that would be audited during the year.

d) The Accountant General, Goa would conduct test-check of some of the Panchayati Raj Institutions and Urban Local Bodies units audited by the Director of Accounts in order to provide technical guidance. The report of the test conducted by the Accountant General, Goa would be sent to the Director of Accounts for pursuance of action taken by the Panchayati Raj Institutions and Urban Local Bodies. The Director of Accounts will pursue the compliance of such paras in Accountant General, Goa inspection report in the same manner as if these were its own reports.

e) Accountant General, Goa will monitor the quality of the inspection reports prepared by the Director of Accounts by calling for some of the reports for his scrutiny. The Director of Accounts will furnish returns in such form as

may be prescribed by the Accountant General, Goa for the purpose of monitoring.

f) Copies of issued Audit Reports in respect of 10% of Local Bodies should be forwarded by the Director of Accounts to the Accountant General, Goa for advice on system improvement and the Accountant General, Goa would make suggestions for improvement of existing manuals etc. to be followed by the Director of Accounts.

g) Irrespective of the money value of the objections, any serious irregularities noticed such as system defects, serious violation of rules, frauds noticed by the Director of Accounts will be intimated to the Accountant General, Goa.

h) The Director of Accounts will develop, in consultation with Accountant General, Goa, a system in internal control in his organization.

i) The Accountant General, Goa would also undertake training and capacity building of Accounts Staff.

6. The Director of Accounts shall take necessary action in this regards.

By order and in the name of the Governor of Goa.

*Ramesh Negi, Commissioner & Secretary (Finance)*

Porvorim, 17th November, 2006.